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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

Western Division

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

ESOS RINGS, INC.; and MICHELLE
SILVERSTEIN aka MICHELLE
SILVERSTEIN BISNOFF,

Defendants.

Case No. 2:23-cv-7553

CONSENT OF DEFENDANT

MICHELLE SILVERSTEIN aka

MICHELLE SILVERSTEIN BISNOFF

1 1. Defendant Michelle Silverstein aka Michelle Silverstein Bisnoff
2 (“Defendant”) waives service of a summons and the complaint in this action, enters a
3 general appearance, and admits the Court’s jurisdiction over Defendant and over the
4 subject matter of this action.

5 2. Without admitting or denying the allegations of the complaint (except as
6 provided herein in paragraph 12 and except as to personal and subject matter
7 jurisdiction, which Defendant admits), Defendant hereby consents to the entry of the
8 final Judgment in the form attached hereto (the “Final Judgment”) and incorporated
9 by reference herein, which, among other things:

- 10 (a) permanently restrains and enjoins Defendant from violation of
11 Section 17(a) of the Securities Act of 1933 (“Securities Act”) and
12 Section 10(b) of the Securities Exchange Act of 1934 (“Exchange
13 Act”) and Rule 10b-5 thereunder;
- 14 (b) permanently restrains and enjoins Defendant from directly or
15 indirectly, including, but not limited to, through any entity owned
16 or controlled by her, participating in the issuance, purchase, offer,
17 or sale of any security in an unregistered offering, provided,
18 however, that such injunction shall not prevent her from
19 purchasing or selling securities listed on a national securities
20 exchange for her own personal account;
- 21 (c) prohibits Defendant pursuant to Section 20(e) of the Securities
22 Act and Section 21(d)(2) of the Exchange Act from acting as an
23 officer or director of any issuer that has a class of securities
24 registered pursuant to Section 12 of the Exchange Act or that is
25 required to file reports pursuant to Section 15(d) of the Exchange
26 Act;
- 27 (d) orders Defendant to pay disgorgement, jointly and severally with
28 Esos Rings, Inc., in the amount of \$566,483 plus prejudgment

1 interest thereon in the amount of \$46,836; and

2 (e) orders Defendant to pay a civil penalty in the amount of \$223,229
3 under Section 20(d) of the Securities Act and Section 21(d)(3) of
4 the Exchange Act.

5 3. Defendant acknowledges that the civil penalty paid pursuant to the Final
6 Judgment may be distributed pursuant to the Fair Fund provisions of Section 308(a)
7 of the Sarbanes-Oxley Act of 2002. Regardless of whether any such Fair Fund
8 distribution is made, the civil penalty shall be treated as a penalty paid to the
9 government for all purposes, including all tax purposes. To preserve the deterrent
10 effect of the civil penalty, Defendant agrees that she shall not, after offset or
11 reduction of any award of compensatory damages in any Related Investor Action
12 based on Defendant's payment of disgorgement in this action, argue that she is
13 entitled to, nor shall she further benefit by, offset or reduction of such compensatory
14 damages award by the amount of any part of Defendant's payment of a civil penalty
15 in this action ("Penalty Offset"). If the court in any Related Investor Action grants
16 such a Penalty Offset, Defendant agrees that she shall, within 30 days after entry of a
17 final order granting the Penalty Offset, notify the Commission's counsel in this action
18 and pay the amount of the Penalty Offset to the United States Treasury or to a Fair
19 Fund, as the Commission directs. Such a payment shall not be deemed an additional
20 civil penalty and shall not be deemed to change the amount of the civil penalty
21 imposed in this action. For purposes of this paragraph, a "Related Investor Action"
22 means a private damages action brought against Defendant by or on behalf of one or
23 more investors based on substantially the same facts as alleged in the Complaint in
24 this action.

25 4. Defendant agrees that she shall not seek or accept, directly or indirectly,
26 reimbursement or indemnification from any source, including but not limited to
27 payment made pursuant to any insurance policy, with regard to any civil penalty
28 amounts that Defendant pays pursuant to the Final Judgment, regardless of whether

1 such penalty amounts or any part thereof are added to a distribution fund or otherwise
2 used for the benefit of investors. Defendant further agrees that she shall not claim,
3 assert, or apply for a tax deduction or tax credit with regard to any federal, state, or
4 local tax for any penalty amounts that Defendant pays pursuant to the Final
5 Judgment, regardless of whether such penalty amounts or any part thereof are added
6 to a distribution fund or otherwise used for the benefit of investors.

7 5. Defendant waives the entry of findings of fact and conclusions of law
8 pursuant to Rule 52 of the Federal Rules of Civil Procedure.

9 6. Defendant waives the right, if any, to a jury trial and to appeal from the
10 entry of the Final Judgment.

11 7. Defendant enters into this Consent voluntarily and represents that no
12 threats, offers, promises, or inducements of any kind have been made by the
13 Commission or any member, officer, employee, agent, or representative of the
14 Commission to induce Defendant to enter into this Consent.

15 8. Defendant agrees that this Consent shall be incorporated into the Final
16 Judgment with the same force and effect as if fully set forth therein.

17 9. Defendant will not oppose the enforcement of the Final Judgment on the
18 ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of
19 Civil Procedure, and hereby waives any objection based thereon.

20 10. Defendant waives service of the Final Judgment and agrees that entry of
21 the Final Judgment by the Court and filing with the Clerk of the Court will constitute
22 notice to Defendant of its terms and conditions. Defendant further agrees to provide
23 counsel for the Commission, within thirty days after the Final Judgment is filed with
24 the Clerk of the Court, with an affidavit or declaration stating that Defendant has
25 received and read a copy of the Final Judgment.

26 11. Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the claims
27 asserted against Defendant in this civil proceeding. Defendant acknowledges that no
28 promise or representation has been made by the Commission or any member, officer,

1 employee, agent, or representative of the Commission with regard to any criminal
2 liability that may have arisen or may arise from the facts underlying this action or
3 immunity from any such criminal liability. Defendant waives any claim of Double
4 Jeopardy based upon the settlement of this proceeding, including the imposition of
5 any remedy or civil penalty herein. Defendant further acknowledges that the Court's
6 entry of a permanent injunction may have collateral consequences under federal or
7 state law and the rules and regulations of self-regulatory organizations, licensing
8 boards, and other regulatory organizations. Such collateral consequences include, but
9 are not limited to, a statutory disqualification with respect to membership or
10 participation in, or association with a member of, a self-regulatory organization. This
11 statutory disqualification has consequences that are separate from any sanction
12 imposed in an administrative proceeding. In addition, in any disciplinary proceeding
13 before the Commission based on the entry of the injunction in this action, Defendant
14 understands that she shall not be permitted to contest the factual allegations of the
15 complaint in this action.

16 12. Defendant understands and agrees to comply with the terms of 17 C.F.R.
17 § 202.5(e), which provides in part that it is the Commission's policy "not to permit a
18 defendant or respondent to consent to a judgment or order that imposes a sanction
19 while denying the allegations in the complaint or order for proceedings," and "a
20 refusal to admit the allegations is equivalent to a denial, unless the defendant or
21 respondent states that he neither admits nor denies the allegations." As part of
22 Defendant's agreement to comply with the terms of Section 202.5(e), Defendant: (i)
23 will not take any action or make or permit to be made any public statement denying,
24 directly or indirectly, any allegation in the complaint or creating the impression that
25 the complaint is without factual basis; (ii) will not make or permit to be made any
26 public statement to the effect that Defendant does not admit the allegations of the
27 complaint, or that this Consent contains no admission of the allegations, without also
28 stating that Defendant does not deny the allegations; (iii) upon the filing of this

1 Consent, Defendant hereby withdraws any papers filed in this action to the extent that
2 they deny any allegation in the complaint; and (iv) stipulates solely for purposes of
3 exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C.
4 §523, that the allegations in the complaint are true, and further, that any debt for
5 disgorgement, prejudgment interest, civil penalty or other amounts due by Defendant
6 under the Final Judgment or any other judgment, order, consent order, decree or
7 settlement agreement entered in connection with this proceeding, is a debt for the
8 violation by Defendant of the federal securities laws or any regulation or order issued
9 under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C.
10 §523(a)(19). If Defendant breaches this agreement, the Commission may petition the
11 Court to vacate the Final Judgment and restore this action to its active docket.
12 Nothing in this paragraph affects Defendant's: (i) testimonial obligations; or (ii) right
13 to take legal or factual positions in litigation or other legal proceedings in which the
14 Commission is not a party.

15 13. Defendant hereby waives any rights under the Equal Access to Justice
16 Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other
17 provision of law to seek from the United States, or any agency, or any official of the
18 United States acting in his or her official capacity, directly or indirectly,
19 reimbursement of attorney's fees or other fees, expenses, or costs expended by
20 Defendant to defend against this action. For these purposes, Defendant agrees that
21 Defendant is not the prevailing party in this action since the parties have reached a
22 good faith settlement.

23 14. Defendant agrees that the Commission may present the Final Judgment
24 to the Court for signature and entry without further notice.
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15. Defendant agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Final Judgment.

Dated: Aug 29, 2023

Michelle Silverstein
Michelle Silverstein (Aug 29, 2023 01:26 GMT)
Michelle Silverstein

On August 29, 2023, Michelle Silverstein, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent.



Lauren N Fridley
Notary Public Lauren N Fridley
Commission expires: 06/30/2024
Approved as to form:

Commission: 7699515
Notary Public of Chesterfield County, Virginia

Approved as to form:

Stephen Dunkle

Stephen Dunkle
Sanger Dunkle Law
222 E. Carrillo Street, Suite 300
Santa Barbara, CA 93101
(805) 962-4887
Attorney for Defendant

Completed via Remote Online Notarization using two-way Audio/Video technology